

TERMS & CONDITIONS OF PURCHASE OF BUNZL GROSSHANDEL GMBH

I. General

1. Our purchase orders and purchases from Seller shall be made exclusively on the basis of the terms and conditions set forth below. No contrary or inconsistent terms or conditions of sale of Seller will be recognized by us unless explicitly agreed to in writing by us. Our conditions of purchase shall also apply if we accept delivery from Seller with no reservation despite knowledge of the existence of conditions of Seller that are contrary to or inconsistent with our conditions of purchase.
2. All agreements and covenants between us and Seller, in particular master agreements and longer-term agreements as well as changes in or amendments to such agreements, shall be made in writing.
3. Our conditions of purchase shall apply only to business with companies within the meaning of Section 310 (4) of the German Civil Code (BGB).
4. Our conditions of purchase shall also apply to all future business transactions with Seller.

II. Placing of Purchase Orders

1. Our purchase orders will be placed in writing; oral orders shall not be deemed binding.
2. Seller shall confirm acceptance of our purchase offers in writing within 14 days of receipt, and confirmation by facsimile or e-mail shall suffice. Our purchase orders will become void upon expiration of this period.
3. We retain all copyright and other proprietary rights in samples, illustrations, drawings, calculations and other documents. These materials may not be disclosed to third parties without our explicit written permission. They are intended to be used exclusively for production in connection with our purchase order. They are to be returned to us upon completion of the purchase order. They shall be held and maintained in strict confidence.

III. Delivery

1. The date of delivery in the purchase order shall be binding.
2. Merchandise shall be shipped exclusively by means of trucks suitable for rear docking. Only Euro-pallets quality according to EPAL classification New, class A or B and one-way pallets may be used for shipping. Seller may not insist that pallets be returned forwarded outside the Europallet exchange pool. Pallets shall measure 800 x 1200 mm, comply with the DIN UIC 435-2 specification and offer adequate strength. Damaged pallets shall be repacked by Seller. Pallets shall be stacked to a maximum height of 190 cm with no overhang and with only a single type of product and the same number of full boxes per pallet. Smaller quantities shall be shipped on a single pallet and identified as "mixed pallets". Boxes shall be strong enough so that the bottom layer can bear the weight of the layers stacked on top of it. Pallets shall be prepared for transport so the goods are reliably secured on the pallets.
3. Unless otherwise agreed, all goods shall be identified with our article number, designation, dimensions, packing unit, supplier number and EAN code.
4. Goods shall be delivered in full boxes; goods merchandise received in partial boxes will not be paid for. This shall apply particular to printing for individual customers.
5. Seller shall present us with a bill of lading upon delivery; we may otherwise refuse to accept delivery. If the bill of lading is not presented personally by the driver, it must be attached to the merchandise or the pallet so that it cannot be overlooked. The bill of lading shall contain our order number

and article number, the quantity of goods delivered, the number of boxes and the quantity per pallet. In the event the shipment consists of several orders, all merchandise must be clearly identified with the proper order number.

6. In the event shipment is delayed, we may claim damages equal to a flat 1% of the invoice amount per full week, which damages shall, however, not exceed 10%, but will be no less than €35.00 for each follow-up shipment to our customers resulting from the delay in delivery by Seller. Seller may provide proof to the effect that the delay in delivery resulted in no or less damage. This provision shall not exclude the exercise of other legal rights and remedies – cancellation and claims for damages instead of performance.
7. Unless otherwise agreed in writing, shipment shall be made DDU destination. Seller shall bear all costs and risks of loss or damage in transit to the destination. All goods shall be shipped with payment of custom duties and taxes.

IV. Pricing and Payment

1. The amount indicated in the purchase order is binding. Unless otherwise agreed in writing, prices shall include shipment and packing.
2. Seller's invoices shall be addressed to us and include our order number and article number, the quantity and price per unit as well as the total amount. Invoices cannot be processed for payment without this minimum information. Invoices shall be considered to have been received by us only if the above conditions have been met.
3. Unless otherwise agreed in writing, we will pay the purchase price within 30 days of delivery and receipt of a proper invoice less a 3% prompt payment discount or net within 60 days of receipt of the invoice.
4. All amounts due shall be subject to deduction of any setoffs or counterclaims against Seller.

V. Inspection of Goods and Liability

1. We will, within a reasonable period of time, inspect the goods to determine any non-conformity in terms of quality or quantity. Notice shall be considered to have been given on a timely basis if given within 5 working days of receipt of the goods or, in the case of hidden defects, upon discovery by Seller.
2. All statutory warranties shall apply; we may in any case, at our sole discretion, require that Seller eliminate the defect or deliver a new replacement. The right to claim damages, in particular damages instead of performance, shall explicitly remain in effect.
3. We may eliminate defects ourselves at the expense of Seller in the event of imminent danger or especially urgent circumstances.
4. The warranty period shall expire 2 years after the risk of ownership passes to us.

VI. Product Liability

1. In the event Seller is responsible for damage caused by a product, Seller shall, upon our first demand, hold us harmless from claims for damages brought by third parties if the cause lies within the area of control and organization of Seller and Seller is himself liable.
2. Seller's liability for damages within the meaning of Paragraph 1 above shall also include reimbursement for any expenses pursuant to Sections 683 and 670 of the German Civil Code and Sections 830, 840 and 426 of the German Civil Code arising from or in connection with a recall carried out by us. Insofar as possible and reasonable, we will inform Seller of the nature and scope of any such recall and give Seller an opportunity to defend. This provision shall not affect any other legal rights and remedies we may have at law.

3. Seller shall obtain and maintain in force production liability insurance with coverage in the amount of €1 million per occurrence of bodily injury/property damage. This shall not affect any other claims for damages we may have.

VII. Certificate of Conformity

Seller shall, without being specifically requested to do so, obtain at Seller's sole expense and submit to us once a year certificates of compliance with regulations governing materials used in contact with food for all items supplied by Seller. If necessary, Seller shall, at Seller's sole expense, have such items tested and certified for compliance by recognized laboratories or other recognized organizations.

VIII. Declaration of conformity

Seller shall, without being specifically requested to do so, obtain at Seller's sole expense and submit to us a declaration of conformity for all items supplied by him. Should the specified and confirmed characteristics of a delivered item change during the cooperation, the seller is obliged to send us an updated declaration of conformity without being requested to do so and at his own expense.

IX. Intellectual Property

1. Seller warrants that the products delivered do not infringe any intellectual property rights of any other party.
2. In the event any third party asserts any such claim against us, Seller shall, at our first written request, hold us harmless from any such claim. We will not make any agreements with any such third party and, in particular, not agree to any settlement without the consent of Seller.
3. Seller's obligation to hold us harmless shall apply to all costs incurred by arising from or in connection any such claim brought by another party.
4. The warranty period shall expire 10 years from receipt of the goods by us.

X. Confidentiality

Seller shall hold and maintain in strict confidence any confidential commercial or technical documents and information from us and, in particular, from our customers, that becomes known to Seller due to our business relationship. Such documents and information may not be disclosed to any third parties without our explicit consent. This confidentiality provision shall survive this Agreement.

In the event of any breach of the above confidentiality provision by Seller, we may impose a contractual penalty in the amount of €10,000.00. This shall have no effect on any further rights and remedies we may have.

XI. Jurisdiction and Applicable Law

1. Any dispute arising between us and Seller shall be brought before the courts of Marl, Germany.
2. This Agreement shall be governed by and construed in accordance with the laws of the Federal Republic of Germany; application of the U.N. Convention for International Sale of Goods is excluded.

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